

PRESS RELEASE

December 9, 2021

AXELL CORPORATION

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Notice on Selection of “Standard Market” in New Market Segments

Please be informed that AXELL CORPORATION (the “Company”) resolved at a Board of Directors meeting held on December 9, 2021 to select and apply for the “Standard Market” in the new market segments of Tokyo Stock Exchange.

1. Results of the Initial Assessment Regarding the Fulfillment of Continued Listing Criteria for the New Market Segments

The Company received the “Notice on results of the initial assessment regarding the fulfillment of continued listing criteria for the new market segments” from the Tokyo Stock Exchange on July 9, 2021, confirming that it fulfilled the continued listing criteria for the “Standard Market” but did not meet the continued listing criteria for the “Prime Market” in the item of “market capitalization of tradable shares.”

2. Selection of and Application for the “Standard Market” in the New Market Segments

Based on the fact that the Company does not satisfy the continued listing criteria for the “Prime Market” at the moment, we discussed the current forms of business, medium- to long-term growth strategies, and other relevant matters in a comprehensive manner. The discussion resulted in our decision that it is appropriate to select the “Standard Market,” whose concept is “for companies that keep the basic level of corporate governance expected of listed companies and commit to sustainable growth and improvement of medium- to long-term corporate value,” and the Company resolved to select the “Standard Market.”

We consider the improvement of long-term corporate value as the most important management issue regardless of the market segments. In addition to securing stable profits from existing businesses, we will accelerate the expansion of AI, block chain, and other new businesses, and drive forward our business activities through the achievement of the improvement of corporate value, with an eye on the “Prime Market.”

Going forward, we will proceed with the procedures for selection of and application for the new market segments, in accordance with the schedule set by the Tokyo Stock Exchange. We would appreciate continued support and encouragement from our shareholders and investors.